

Message Text

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22

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 ARA-06

EA-07 EUR-12 NEA-10 /122 W

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R 121526Z FEB 76

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 7073

INFO USDEL MTG GENEVA

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EO 11652: N/A

TAGS: ETRD, MTN, IV

SUB: TROPICAL PRODUCTS NEGOTIATIONS

REFERENCE (A) 75 STATE 287116, (B) 75 ABIDJAN A-96.

(C) ABIDJAN A-007

1. LEVIES ON IMPORT TO IVORY COAST ARE (1) DROIT FISCALE D'ENTREE (DFE); (2) DROIT DE DOUANE (DD), AND (3) VALUE ADDED TAX (VAT). DFE AND DD IN THE TARIF DES DOUANES A AD VOLOREM. THE TWO PERCENTAGES ARE ADDED TOGETHER TO DETERMINE THE EFFECTIVE RATE APPLIED TO IMPORTS FROM THE US. (A VAT OF APPROXIMATELY 9, 19, OR 44 PERCENT IS APPLIED TO THE DUTY PAID VALUE OF MOST IMPORTS. THE LOWER VAT RATE APPLIES TO PRODUCTS WITH LOW RATES OF DUTY AND THE HIGHEST RATE TO CERTAIN LUXURY GOODS. VERY FEW PRODUCTS ARE EXEMPT FROM VAT).

2. CATEGORIES OF US PRODUCTS CONSIDERED MOST INTERESTING FOR INCREMENTAL SALES IN FY 1977 AND BEYOND ARE:

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FISCAL ENTRY DUTY CUSTOMS

RANGE (PRERCENT) DUTY RANGE
(PERCENT)

1. BUILDING AND CONSTRUCTION SUPPLIES AND EQUIPMENT	0-20	3-10
2. ENERGY SYSTEMS	0-20	5-15
3. MATERIALS HANDLING EQUIPMENT	0-20	5-15
4. COMMUNICATIONS EQUIPMENT AND SYSTEMS	0-30	7
5. AGRICULTURAL MACHINERY	0-15	0-15
6. BUSINESS EQUIPMENT AND SYSTEMS	15-25	5
7. LABORATORY INSTRUMENTATION	20	5
8. TEXTILE AND GARMENT MAKING MACHINERY	0-30	5-7
9. AIRCRAFT AVIONICS AND GROUND SUPPORT EQUIPMENT	5-20	5-7

US PRODUCTS TEND TO ENJOY RATES OF DUTY AT THE LOWER END OF THE ABOVE RANGES, IN AS MUCH AS US PRODUCTS TEND TO BE THE MORE SOPHISTICATED, HEAVY DUTY TYPES DESTINED FOR PRIORITY SECTORS OF THE ECONOMY. OF THE NINE GROUPS LISTED, THE POST BELIEVES THAT BUSINESS EQUIPMENT AND SYSTEMS AND BUILDING AND CONSTRUCTION SUPPLIES AND EQUIPMENT HAVE THE GREATEST PRICE ELASTICITY OF DEMAND.

3. MANY US PRODUCTS ARE LEASED RATHER THAN SOLD. ON ITEMS DESTINED TO BE LEASED AND IMPORTED ON AN INTRA-COMPANY INVOICE RATHER THAN ON THE BASIS OF AN ARMS-LENGTH TRANSACTION, AN ARBITRARY AMOUNT EQUAL TO SIX TO SEVEN MONTHS' LEASE VALUE IS ADDED TO THE INVOICE PRICE TO DETERMINE VALUE FOR CDUTY. US FIRMS STATED THAT THEY WOULD PREFER A FIXED PERCENTAGE ADDITION TO INVOICE PRICE, AS APPEARS TO BE CURRENT EEC PRACTICE.

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4. GOVERNMENT CONTROLLED PRESS HAD NOT DISCUSSED TRADE NEGOTIATIONS AND EMBASSY HAS NO REASON TO BELIEVE GOIC WOULD BE INFLEXIBLE IN NEGOTIATIONS.

5. NO LOCAL INDUSTRY COMPETES WITH US EXPORTERS OF THE TYPES OF PRODUCTS LISTED IN PARA 2. MOST IMPORTERS ARE BRANCHES OF MULTINATIONAL TRADING FIRMS WITH STRONG FINANCIAL BACKING, HIGHLY SOPHISTICATED IN THEIR SELECTION

OF PRODUCTS FOR MARKETING.FURTHER DETAILS ON LOCAL MARKET
STRUCTURE APPEAR IN EMBASSY'S BEST PROSPECTS REPORT
(REF B) AND COMMERCIAL ACTION PROGRAM (REF C).
SMITH

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Message Attributes

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Draft Date: 12 FEB 1976
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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